

BILL ANALYSIS

C.S.H.B. 1550
By: Bell
Economic & Small Business Development
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, individuals involuntarily separated from employment under certain circumstances qualify for unemployment compensation benefits under the unemployment insurance program administered by the Texas Workforce Commission. However, not all of these circumstances that serve as the basis for an involuntary separation protect the separated employee's former employer from having that claimant's unemployment compensation benefits charged to the employer's account.

C.S.H.B. 1550 seeks to expand the instances in which an employer's account is protected from unemployment compensation chargebacks resulting from an employee involuntarily separating from employment.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1550 amends the Labor Code to prohibit unemployment compensation benefits computed on benefit wage credits of an employee or former employee from being charged to the account of an employer if the employee's last separation from the employer's employment before the employee's benefit year was due to a reason that constitutes an involuntary separation because the work-related reason for the employee's separation from employment was urgent, compelling, and necessary so as to make the separation involuntary and was due to a reason that does not constitute good cause connected with the employee's work under applicable state law for the employee to voluntarily leave the employment.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1550 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Section 204.022(a), Labor Code, is amended to read as follows: (a) Benefits computed on benefit wage	SECTION 1. Section 204.022(a), Labor Code, is amended to read as follows: (a) Benefits computed on benefit wage

credits of an employee or former employee may not be charged to the account of an employer if the employee's last separation from the employer's employment before the employee's benefit year:

- (1) was required by a federal statute;
- (2) was required by a statute of this state or an ordinance of a municipality of this state;
- (3) would have disqualified the employee under Section 207.044, 207.045, 207.051, or 207.053 if the employment had been the employee's last work;
- (4) imposes a disqualification under Section 207.044, 207.045, 207.051, or 207.053;
- (5) was caused by a medically verifiable illness of the employee or the employee's minor child;
- (6) was based on a natural disaster that results in a disaster declaration by the president of the United States under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. Section 5121 et seq.), if the employee would have been entitled to unemployment assistance benefits under Section 410 of that act (42 U.S.C. Section 5177) had the employee not received state unemployment compensation benefits;
- (7) was caused by a natural disaster, fire, flood, or explosion that causes employees to be separated from one employer's employment;
- (8) was based on a disaster that results in a disaster declaration by the governor under Section 418.014, Government Code;
- (9) resulted from the employee's resigning from partial employment to accept other employment that the employee reasonably believed would increase the employee's weekly wage;
- (10) was caused by the employer being called to active military service in any branch of the United States armed forces on or after January 1, 2003;
- (11) resulted from the employee leaving the employee's workplace to protect the employee from family violence or stalking as evidenced by:
 - (A) an active or recently issued protective order documenting family violence against, or the stalking of, the employee or the potential for family violence against, or the stalking of, the employee;
 - (B) a police record documenting family violence against, or the stalking of, the

credits of an employee or former employee may not be charged to the account of an employer if the employee's last separation from the employer's employment before the employee's benefit year:

- (1) was required by a federal statute;
- (2) was required by a statute of this state or an ordinance of a municipality of this state;
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- (5) was caused by a medically verifiable illness of the employee or the employee's minor child;
- (6) was based on a natural disaster that results in a disaster declaration by the president of the United States under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. Section 5121 et seq.), if the employee would have been entitled to unemployment assistance benefits under Section 410 of that act (42 U.S.C. Section 5177) had the employee not received state unemployment compensation benefits;
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- (9) resulted from the employee's resigning from partial employment to accept other employment that the employee reasonably believed would increase the employee's weekly wage;
- (10) was caused by the employer being called to active military service in any branch of the United States armed forces on or after January 1, 2003;
- (11) resulted from the employee leaving the employee's workplace to protect the employee from family violence or stalking as evidenced by:
 - (A) an active or recently issued protective order documenting family violence against, or the stalking of, the employee or the potential for family violence against, or the stalking of, the employee;
 - (B) a police record documenting family violence against, or the stalking of, the

employee; or
 (C) a physician's statement or other medical documentation that describes the family violence against the employee that:
 (i) is recorded in any form or medium that identifies the employee as the patient; and
 (ii) relates to the history, diagnosis, treatment, or prognosis of the patient;
 (12) resulted from a move from the area of the employee's employment that:
 (A) was made with the employee's spouse who is a member of the armed forces of the United States; and
 (B) resulted from the spouse's permanent change of station of longer than 120 days or a tour of duty of longer than one year;
 (13) was caused by the employee being unable to perform the work as a result of a disability for which the employee is receiving disability insurance benefits under 42 U.S.C. Section 423;
 (14) resulted from the employee leaving the employee's workplace to care for the employee's terminally ill spouse as evidenced by a physician's statement or other medical documentation, but only if no reasonable, alternative care was available;
~~[or]~~
 (15) was caused by the employer's reinstatement of a qualified uniformed service member with reemployment rights and benefits and other employment benefits in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (38 U.S.C. Section 4301 et seq.); or
 (16) was due to a reason that:
(A) constitutes an involuntary separation under Section 207.046(a)(1); and
(B) does not constitute good cause connected with the employee's work for the employee to voluntarily leave the employment.

SECTION 2. The change in law made by this Act applies only to a claim for unemployment compensation benefits filed with the Texas Workforce Commission on or after the effective date of this Act. A claim filed before the effective date of this Act is governed by the law in effect on the date the claim was filed, and the former law is continued in effect for that purpose.

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 (C) a physician's statement or other medical documentation that describes the family violence against the employee that:
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 (15) was caused by the employer's reinstatement of a qualified uniformed service member with reemployment rights and benefits and other employment benefits in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (38 U.S.C. Section 4301 et seq.); or
 (16) was due to a reason that:
(A) constitutes an involuntary separation under Section 207.046(a)(1); and
(B) does not constitute good cause connected with the employee's work ~~under~~ Section 207.045 for the employee to voluntarily leave the employment.

SECTION 2. Same as introduced version.

SECTION 3. This Act takes effect
September 1, 2013.

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